Exhibit No.:	
Issue(s):	LLPS Rate Calculation, Additional Charges, Exit Fees
Witness:	Kevin C. Higgins
Type of Exhibit:	Surrebuttal Testimony
Sponsoring Party:	Data Center Coalition
Case No.:	EO-2025-0154
Date Testimony Prepared:	September 12, 2025

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. EO-2025-0154

SURREBUTTAL TESTIMONY OF KEVIN C. HIGGINS

ON BEHALF OF THE

DATA CENTER COALITION

September 12, 2025

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SCHEDULES

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Kevin C. Higgins. My business address is 111 East Broadway, Suite 1200, Salt Lake City, Utah, 84111.

Q. By whom are you employed and in what capacity?

A. I am a Principal in the firm of Energy Strategies, LLC. Energy Strategies is a private consulting firm specializing in economic and policy analysis applicable to energy production, transportation, and consumption.

Q. Are you the same Kevin C. Higgins who pre-filed Rebuttal testimony in this proceeding on behalf of the Data Center Coalition ("DCC")?

A. Yes.

II. OVERVIEW AND CONCLUSIONS

Q. What is the purpose of your Surrebuttal testimony?

A. My surrebuttal testimony first responds to the Staff Recommendation report ("Staff Report") and supporting rebuttal testimony that was filed by the Staff of the Missouri Public Service Commission ("Staff") in response to the proposal by Evergy Metro, Inc. d/b/a Evergy Missouri Metro and Evergy Missouri West, Inc. d/b/a Evergy Missouri West (collectively "Evergy" or "Company") for approval of a new Large Load Power Service ("LLPS") rate plan. Next, my surrebuttal testimony responds to certain proposals advanced by the Office of the Public Counsel ("OPC").

Q. What are the primary conclusions and recommendations of your surrebuttal testimony?

A. I offer the following conclusions and recommendations:

- I agree with Staff that Evergy's System Support Rider proposal should be rejected by the Commission.

- Staff's overall LLPS pricing proposal, through which system fixed and variable costs (including energy) would be subject to a 24.77% mark-up, is unreasonable and should be rejected by the Commission.

  My recommendation notwithstanding, if a version of Staff's approach is adopted by the Commission, then Staff's calculation of "baseline" fixed costs for calculating the LLPS rates should be adjusted by (a) removing a double count of labor expense and (b) reversing Staff's exclusion of accumulated deferred income tax ("ADIT"), while including, for consistency, deferred income tax expense. These adjustments reduce Staff's proposed average LLPS rates by $0.0041/kWh in the Missouri Metro territory and by $0.0023/kWh in the Missouri West territory, prior to applying Staff's 24.77% mark-up.

- In addition, if a version of Staff's approach is adopted by the Commission, there should be no mark-up for variable costs, let alone the 24.77% mark-up proposed by Staff.

- Staff's proposed tax gross-up applied to its initial 20% mark-up is unnecessary and unreasonable and should be rejected.

- A multi-year averaging of Southwest Power Pool ("SPP") market prices for setting the initial LLPS energy charge is unnecessary, but if multi-year averaging is used, Staff's inflation adjustment should be removed.

- Staff's proposed Deviation Demand and Energy Imbalance Charges should be rejected.

- Staff's proposal to trigger an exit fee for a customer whose kWh usage is 50% or less of its updated contract load for three consecutive months should be rejected.

- I recommend that the Commission order that any changes in contract terms approved in this case for LLPS customers, including length of contract, minimum billing demands, capacity reduction charges, exit fees, and enhanced collateral, would not apply to electric service agreements that went into effect on or before January 1, 2025.

- I recommend that the Commission reject OPC's proposals for longer contract terms and a higher minimum billing demand than proposed by Evergy. I also express concerns about OPC's proposal that LLPS customers be subject to "mandatory emergency curtailments as warranted."

III. RESPONSE TO THE STAFF RECOMMENDATION REPORT

Q. At a high level, what is your response to the recommendations in the Staff Report?

A. I agree with the Staff Report on a very fundamental point: Evergy's System Support Rider proposal should be rejected by the Commission. Evergy proposes the System Support Rider to be a new mandatory tariffed charge to customers receiving service under Schedule LLPS. To recap, the proposed System Support Rider has two basic functions: (1) to eliminate any discount a Schedule LLPS customer might otherwise receive as a result of an economic development incentive ("cost recovery component"), and (2) to add an additional demand charge to Schedule LLPS rates to account for a presumed "acceleration" of costs that would be incurred to serve new LLPS customers ("acceleration component").

As I stated in my Rebuttal testimony, I do not object to the goal of not allowing economic development rate discounts for Schedule LLPS customers, and I agree with Staff that it would be better to implement such a policy in a more straightforward manner, such as simple ban on such discounts, rather than through the rider proposed by Evergy.[1] I also agree with Staff's recommendation to reject the acceleration component, particularly Staff's conclusion that:

> Charging LLPS customers for the revenue requirement impacts of the accelerated construction of a power plant that has not yet been built is not reasonable. Allowing [Evergy] to retain those revenues is wholly unreasonable.[2]

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[1] Missouri Public Service Commission Docket No. EO-2025-0154, *Staff Recommendation*, pp. 88-89 (Jul. 25, 2025).
[2] *Id*. at 94.

Q. Do you have any high-level concerns with the recommendations in the Staff Report?

A. Yes. A critical aspect of the Staff Report that I find concerning is the premise for Staff's calculation of LLPS rates. The Staff Report lays out what appears to be the premise for the rate calculation by stating that "the LLPS rate will be set to *essentially the floor* for economic development discount recipients established by Section 393.1640 RSMo…"[3] The Staff Report further states:

> To account for income tax, based on Evergy's workpapers submitted in this case, the bill components will actually need to be multiplied by 24.77% *to accomplish a 20% contribution to "fixed costs*."[4]

Taken together, these passages strongly suggest that it was Staff's intention to design the LLPS rate such that it would make a 20% contribution to fixed cost recovery. This same notion is reinforced in the Staff Report's later discussion of Section 393.1640, in which the report quotes directly from the statute. The Staff Report states:

> …Section 393.1640 is also clear that the customer receiving the discount must meet variable costs and provide a contribution to fixed costs, specifying as follows:
>
> [T]he cents-per-kilowatt-hour realization resulting from application of any discounted rates as calculated shall be higher than the electrical corporation's variable cost to serve such incremental demand and the applicable discounted rate also shall make a positive contribution to fixed costs associated with service to such incremental demand. If in a subsequent general rate proceeding the commission determines that application of a discounted rate is not adequate to cover the electrical corporation's variable cost to serve the accounts in question and provide a positive contribution to fixed costs then the commission shall increase the rate for those accounts prospectively to the extent necessary to do so.[5]

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[3] *Id.* at 58 (emphasis added).
[4] *Id*. (emphasis added).
[5] *Id*. at 89.

Q. Are you familiar with Section 393.1640 of the Revised Statutes of Missouri?

A. Yes. Although I am not an attorney, my understanding is that Section 393.1640 generally provides for *discounted* rates to qualifying large customers by charging such customers 120% of the *variable costs* to serve them. It follows that the 20% of variable costs in excess of 100% of variable costs charged to such customers would make a contribution to fixed cost recovery, although it would not necessarily recover 20% of fixed costs.

Q. Does Staff's LLPS rate proposal actually align with the floor for economic development discount recipients as suggested in the Staff Report?

A. No. Staff's basic proposal is to charge LLPS customers 124.77% of the *sum* of variable *and fixed costs.* Staff's proposal bears no genuine resemblance to the floor for economic development discount recipients established by Section 393.1640 RSMo, which calls for a rate that recovers 120% of variable costs alone. Staff's pricing proposal constitutes, at its core, an arbitrary price mark-up over a version of variable and fixed costs as calculated by Staff. Staff's LLPS pricing proposal is unreasonable, and I recommend that it should be rejected by the Commission.

Q. Are you suggesting that the LLPS rate should be set at a discount according to the parameters described in Section 393.1640?

A. No. That is not my testimony. But I do not believe the rate should be set at an arbitrary 24.77% premium either.

Q. The Staff Report identifies average rates for a hypothetical 384 MW customer calculated using Staff's LLPS rate proposal. Do you have any comments regarding the average rates presented in the Staff Report?

A. Yes. The Staff Report states that for the hypothetical 384 MW customer reflected in Evergy's workpapers, the average rate for LLPS service using Staff's rate proposal is \$0.0751/kWh (plus Fuel Adjustment Clause ("FAC") and other riders) in the Missouri Metro territory and \$0.0573/kWh (plus FAC and other riders) in the Missouri West territory.[6] The Staff Report compares these rates to the LLPS rates proposed by Evergy inclusive of the System Support Rider, which Staff calculates to be \$0.0692/kWh in the Missouri Metro territory and \$0.0660/kWh in the Missouri West territory.[7] However, subsequent to filing the Staff Report, Staff revised the calculations of its own rate proposal upward after making several corrections in response to discovery. According to its updated workpaper, Staff's revised calculations for its proposed LLPS rates are \$0.0789/kWh (plus FAC and other riders) in the Missouri Metro territory and \$0.0650/kWh (plus FAC and other riders) in the Missouri West territory.[8]

Q. Do you believe any further corrections to Staff's calculations are warranted?

A. Yes, DCC informed Staff of suspected calculation errors through discovery, which Staff addressed in the corrected workpaper I just referenced, but after further review I concluded that an additional correction is warranted regarding labor expense. Specifically, in calculating its proposed LLPS rate, Staff makes an adjustment to add labor expense to operations and maintenance ("O&M") expense; however, after reviewing the source documents for Staff's calculations, I determined that labor expense is already included in the Federal Energy Regulatory Commission ("FERC") account data that is the source of Staff's cost calculation.

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[6] *Id*. at 8, 41.
[7] *Id*. at 41.
[8] Source: Staff "Confidential Misc workpaper Rebuttal workpaper – reviewing for DR responses."

Q. Please explain how you determined that Staff's labor adjustment double counts costs that are already included in O&M expense.

A. This can be seen by referring to the Inputs tab of the Evergy cost of service studies that are the bases of Staff's analysis. These studies, one of which is confidential, were provided by Evergy in response to DCC Data Request 16. The Inputs tabs show expense entries classified by FERC account.[9] Each row shows separate entries for jurisdictional adjusted expense (labeled "Juris Adjusted") and "Labor Balance" in separate columns, the former in column D and the latter in column F. The entries in the Inputs tab mirror the entries in Staff's "Confidential Misc. Workpaper 1," which Staff used to calculate its proposed LLPS rates. Staff's analysis treats the Labor Balance entries in column F as an expense item that is *additive* to the jurisdictional adjusted expense. However, this assumption is not correct.

Q. How do you know this?

A The total operating expense is also shown in the Inputs tab. For Missouri Metro (non-confidential) it appears on line 859 of the Evergy workpaper and it equals $915,186,712, excluding taxes. Total operating expense obviously includes labor cost. The formula for the total operating expense entry indicates that it is derived solely from summing entries in column D. That is, the labor entries in column F were *not* added to the column D entries to derive the total operating expense in Evergy's workpaper. Logically, this would only be because the labor entries are already included in the jurisdictional adjusted expense. That is, labor cost is a *subset* of jurisdictional adjusted expense, presumably being called

[9] For ease of exposition, excerpts from this Excel document are provided in Schedule KCH-4 to aid the reader in following this discussion.

out in the Evergy cost-of-service study for the purpose of deriving labor-related cost allocators. The upshot is that labor expense should not be added to the jurisdictional adjusted expense in determining the revenue requirement, as it is already included in it. Labor cost is being counted twice in the LLPS rates that Staff calculated.

Q. What is the impact of removing this double count?

A This adjustment is shown in Schedule KCH-5. Page 1 of Schedule KCH-5 shows that my labor expense correction reduces the production-related demand charge proposed by Staff by $0.86/kW-month in the Missouri Metro territory and Page 2 shows that my labor expense correction reduces the production-related demand charge proposed by Staff by $0.16/kW-month in the Missouri West territory.

Page 3 of Schedule KCH-5 shows that my labor expense correction reduces the transmission demand charge proposed by Staff by $0.11/kW-month in the Missouri Metro territory and Page 4 shows that my labor expense correction reduces the transmission demand charge proposed by Staff by $0.09/kW-month in the Missouri West territory.

Altogether, removing the labor expense double count reduces Staff's average LLPS rate by $0.0019/kWh in the Missouri Metro territory and $0.0005/kWh in the Missouri West territory *prior* to applying the 24.77% premium that Staff is proposing.

Q. Putting aside your concerns about the overall approach Staff is using to calculate LLPS rates, do you have other specific objections to Staff's calculation?

A. Yes. In calculating the fixed cost responsibility that Staff assigns to LLPS (which is subsequently marked up by 24.77%) Staff excludes ADIT from rate base. Since ADIT is generally a credit against rate base, excluding it increases the fixed costs that are assigned to the LLPS rate.

Q. Is Staff's exclusion of ADIT an oversight or is it intentional?

A. Staff's exclusion of ADIT is intentional.[10] According to Staff, since current ADIT rate base offsets are the result of legacy ratepayers effectively prepaying the taxes for utility assets relative to the utility's actual payment of taxes on those assets, it would be inconsistent with Missouri law and general ratemaking policy to "offset the rates of large incremental customers" with ADIT that was effectively funded by legacy customers.[11]

Q. What is your response to this argument?

A. Staff's justification for excluding ADIT seems disconnected from its underlying method for calculating LLPS rates. Staff is <u>not</u> proposing that LLPS customers pay the embedded cost of service that it calculated, but rather the embedded cost of service *plus a mark-up* of 24.77%, not just on fixed costs, but on variable costs as well – including fuel and purchased power expense. Staff's calculation of embedded cost rates is merely the platform for this large mark-up. Excluding ADIT prior to the application of Staff's mark-up strikes me as an arbitrary and "cherry-picked" adjustment to the purposeful detriment of LLPS customers.[12]

Q. Recognizing that you are generally opposed to Staff's approach to calculating LLPS rates, if it is adopted by the Commission, what adjustment should be made to the calculation of fixed costs prior to the application of the 24.77% mark-up?

A. If a version of Staff's approach is adopted by the Commission, I recommend that Staff's calculation of "baseline" fixed costs be adjusted by (a) removing the double count of labor expense and (b) reversing Staff's exclusion of ADIT, while including, for consistency,

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[10] Staff Report at 45.
[11] Staff Response to DCC 228(a), which is provided in Schedule KCH-7.
[12] Staff Response to DCC 228(b), which is provided in Schedule KCH-7.

deferred income tax expense, which Staff had also excluded. The impact on Staff's proposed LLPS rates of these two adjustments is shown in Schedule KCH-5.

Page 1 of Schedule KCH-5 shows that my ADIT adjustment reduces the production-related demand charge proposed by Staff by $1.19/kW-month in the Missouri Metro territory and Page 2 shows that my ADIT adjustment reduces the production-related demand charge proposed by Staff by $0.65/kW-month in the Missouri West territory.

Page 3 of Schedule KCH-5 shows that my ADIT adjustment reduces the transmission demand charge proposed by Staff by $0.12/kW-month in the Missouri Metro territory. Page 4 shows that my ADIT adjustment reduces the transmission demand charge proposed by Staff by $0.44/kW-month in the Missouri West territory.

The combined effect of my labor correction and ADIT adjustments is to reduce Staff's proposed average LLPS rate by $0.0041/kWh for Missouri Metro and $0.0023/kWh for Missouri West, *prior* to the application of Staff's proposed 24.77% mark-up.

Q. Turning now to Staff's proposed 24.77% mark-up, do you have any comments on Staff's proposal to gross-up its core mark-up of 20% for taxes, which results in a total mark-up of 24.77%?

A. Staff's proposed tax gross-up should be rejected. Irrespective of the amount of any initial mark-up, there is not a good justification for grossing it up for taxes because the initial amount of the mark-up itself (e.g. 20%) would be an administratively determined rate that could have been set at any level (e.g., 5%, 10%, etc.). Generally in ratemaking, the purpose of grossing up a revenue requirement adjustment for taxes is to ensure that the utility can retain a targeted revenue increase as part of its after-tax income. I see no equivalent purpose here, unless it is Staff's intent that Evergy benefit by retaining the initial 20% in its after-tax income. I do not believe that is Staff's intention, and I do not see how the public interest would be served by such an approach.

Q. What is Staff's proposal for recovering LLPS energy expense?

A. Staff proposes to tie recovery of LLPS energy expense to SPP nodal prices at LLPS interconnections[13] and then to gross-up those prices by 24.77%. For this case, Staff performs an averaging of the weighted load locational marginal price ("LMP") for Missouri Metro and Missouri West from 2016-2024 prior to applying the 24.77% mark-up. The averaging involves escalating historic prices for "inflation" and further adjustments for outlier data.

Q. What is your reaction to Staff's LLPS energy expense proposal?

A. I do not necessarily object to basing LLPS energy rates on SPP market pricing *per se,* although there is no reasonable justification for marking-up those market prices by any amount, let alone 24.77%, as Staff proposes. I also disagree with incorporating an "inflation adjustment" when averaging historic energy prices. Market energy is a commodity, the price of which is set by the interaction of supply and demand. One would be hard-pressed to establish an underlying generic inflation factor in the pricing of commodities. If a multi-year averaging of SPP market prices is used to set initial LLPS energy rates in this case, the inflation adjustment should be removed.

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[13] Staff Report at 51.

Q. Have you recalculated Staff's proposed LLPS energy charges with its inflation adjustment removed?

A. Yes. I present this information in Schedule KCH-6.

Q. Do you believe a multi-year averaging of SPP market prices is warranted for setting initial LLPS energy rates in this case?

A. No, I do not see the rationale for it. If the purpose is to set LLPS energy rates based on market prices, it seems the best price signals would be sent using the most recent prices, not a multi-year average going back to 2016.

Q. Aside from your objections to Staff's proposal for the calculation of LLPS rates, do you have any other objections to Staff's recommendations?

A. Yes. Staff is proposing that LLPS customer be subject to new Demand Deviation and Energy Imbalance charges. The Demand Deviation charge would be levied on the difference between an LLPS customer's initial contract capacity and any "updated" contract capacity that is identified for a subsequent year, after allowing for a 5% tolerance band.[14] The Energy Imbalance Charge would be levied on the difference between the current-year updated contract demand and the actual demand charge, without a tolerance band.[15]

As I understand Staff's proposal, the Demand Deviation and Energy Imbalance charges would be levied in lieu of a minimum demand charge. That is, LLPS customers would be billed for their actual demand plus the Demand Deviation and Energy Imbalance

[14] The tolerance band provides that the Demand Deviation charge would not apply to the initial 5% deviation.
[15] Staff Report at 59.

charges, as applicable. Both the Demand Deviation and Energy Imbalance charges would be set initially at a rate of $8.9177/kW-month.

Q. What are your objections to Staff's proposed Demand Deviation and Energy Imbalance charges?

A. First, it is not at all clear that these charges represent actual incremental costs that Evergy would incur from serving new large loads. Second, a minimum demand charge also provides a financial incentive for the LLPS customer to provide accurate projections, but with less onerous pricing provisions. For example, the Energy Imbalance charge would be levied on any demand deviations from the updated contract capacity – whether up or down. That is, the LLPS customer would have to hit its updated contract capacity *exactly* each month to avoid this imbalance charge. Absent clear evidence that the proposed imbalance charges represent actual incremental costs to Evergy, this is not a reasonable pricing structure.

Q. Do you have any other objections to Staff's recommendations?

A Yes. Staff is proposing that if an LLPS customer's monthly kWh load is 50% or less of its updated contract load for three consecutive months, it would effectively trigger an exit charge for the remainder of the customer's contract term.[16] Although an exception would be made for a temporary closure or load reduction due to retooling, construction, or other temporary causes, this provision strikes me as unnecessary and draconian. Under both Evergy's proposed minimum demand charge (80%), as well as my own (70%), such a customer would continue to make substantial contributions to fixed cost recovery. I do not

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[16] *Id*. at 68.

see how the public interest would be served by forcing a customer in this circumstance to liquidate its contract and pay a substantial exit fee if the customer did not indeed intend to terminate its contract. The proposed provision is not just and reasonable.

Q. What size customer is Staff proposing be subject to Schedule LLPS?

A. Staff is proposing that the threshold size for service on the LLPS rate schedule be set at 25 MW. For an existing customer with demand below this threshold, but which increases its load above it, the threshold for transitioning to LLPS would be set at 29 MW.

Q. Do you have any comments on Staff's proposed LLPS threshold size?

A. In my experience, Staff's proposed threshold is on the low end of the thresholds that have been proposed for large load service across the country in recent months. One advantage of the 100 MW threshold proposed by Evergy is that it is comfortably above the load size of any current customer.[17] Staff's proposal for a significantly lower threshold highlights the need for a reasonable grandfathering provision in this case, in order to limit the applicability of Schedule LLPS to service initiated after a reasonable cut-off date, such as January 1, 2025.

Q. Why is a grandfathering provision reasonable?

A. Current customers entered into electric service agreements with Evergy in good faith under a very different set of terms and conditions than are proposed in this case for LLPS customers – by both Evergy and Staff. While it is well understood that pricing terms are subject to change as part of the regulatory process, it is simply not reasonable to subject customers to such dramatic changes to the *terms and conditions* of service *after* they have

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[17] Missouri Public Service Commission Docket No. EO-2025-0154, *Direct Testimony of Bradley D. Lutz*, p. 14:3-13 (Feb. 14, 2025).

entered into service agreements with the Company. Accordingly, I recommend that the Commission order that any changes in contract terms approved in this case for LLPS customers, including length of contract, minimum billing demands, capacity reduction charges, exit fees, and enhanced collateral, would not apply to electric service agreements that went into effect on or before January 1, 2025.

Q. Please summarize your recommendations concerning Staff's proposals for setting LLPS rates.

- Staff's overall LLPS pricing proposal, through which system fixed and variable costs (including energy) would be subject to a 24.77% mark-up, is unreasonable and should be rejected by the Commission.

- However, if a version of Staff's approach is adopted by the Commission, then Staff's calculation of "baseline" fixed costs for LLPS rates should be adjusted by (a) removing the double count of labor expense and (b) reversing Staff's exclusion of ADIT, while including, for consistency, deferred income tax expense.

- In addition, if a version of Staff's approach is adopted by the Commission, there should be no mark-up for variable costs, let alone the 24.77% mark-up proposed by Staff.

- Staff's proposed tax gross-up applied to its initial 20% mark-up should be rejected as unnecessary and unreasonable.

- A multi-year averaging of SPP market prices for setting the initial LLPS energy charge is unnecessary, but if multi-year averaging is used, Staff's inflation adjustment should be removed.

- Staff's proposed Deviation Demand and Energy Imbalance Charges should be rejected.

- Staff's proposal to trigger an exit fee for a customer whose kWh usage is 50% or less of its updated contract load for three consecutive months should be rejected.

- Any changes in contract terms approved in this case for LLPS customers, including length of contract, minimum billing demands, capacity reduction charges, exit fees, and enhanced collateral, should not apply to electric service agreements that went into effect on or before January 1, 2025.

Q. If a version of Staff's recommendation is adopted by the Commission, but your labor expense and ADIT adjustments are accepted, as well as your recommendations to (a) eliminate any mark-up for variable costs, (b) reject any tax gross-up applied to Staff's 20% mark-up applied to fixed costs, and (c) eliminate Staff's inflation adjustment applied to SPP market prices, what is the impact on Staff's illustrative average LLPS rates?

A. The combined effect of all of these adjustments reduces Staff's proposed average LLPS rate by $0.0165/kWh for Missouri Metro and $0.0138/kWh for Missouri West.

Q. Are you aware of the Unanimous, Comprehensive Settlement Agreement ("Kansas Settlement Agreement") that was filed on August 18, 2025 in Kansas Corporation Commission Docket No. 25-EKME-315-TAR?

A. Yes. The Kansas Settlement Agreement addresses substantially similar issues as those addressed in this proceeding, namely, terms, conditions, and rates for a new LLPS customer class. DCC is signatory to the Kansas Settlement Agreement, and I filed testimony in support of that agreement on September 5, 2025.

Q. Please explain your support for the Kansas Settlement Agreement in the context of your opposition to both Evergy's and Staff's proposed LLPS rates in this case.

A. The Kansas Settlement Agreement is a compromise. Notably, it does *not* adopt the System Support Rider, nor its acceleration component feature proposed by Evergy. However, at the same time, the signatories agreed to higher charges for Schedule LLPS than were initially proposed by Evergy in its Application, even after adjusting for the stipulated rate increase in the concurrent Kansas Central general rate case. The Kansas Settlement Agreement demonstrates the willingness of DCC to resolve the large load issues raised by

Evergy and other stakeholders by moving to a reasonable middle ground as part of a comprehensive package.

IV. RESPONSE TO OFFICE OF THE PUBLIC COUNSEL

Q. Does the OPC recommend any terms and conditions for LLPS service that are materially different than those proposed by Evergy?

A. Yes. For example, Evergy proposes that LLPS customers be obligated to minimum terms of 15 years, inclusive of load ramp, with minimum billing demands of 80%, whereas OPC witness Marke recommends 20-year minimum contracts with minimum billing demands of 85% to 90%.[18]

Q. What is your response to Dr. Marke's proposal?

A. I addressed the topics of contract term and minimum billing demand in my rebuttal testimony. I believe a contract term of 10 years at full contract capacity *plus* a load ramp of up to five years provides strong assurance of cost recovery when combined with a minimum billing demand of 70% that is supported by reasonable collateral. I note that Staff also supports a contract term of 10 years plus load ramp.[19]

Dr. Marke cites to AEP-Ohio's approved minimum billing demand of 85%; however, I note that the minimum contract term for new large loads in that territory is only 8 years plus load ramp, significantly shorter than Dr. Marke is recommending.

Moreover, extraordinarily high minimum billing demands fail to consider the benefits of load diversity, as well as the fungibility of generation resources, as generation assets can be redeployed to serve other parts of a utility's system if a customer's contract

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[18] Missouri Public Service Commission Docket No. EO-2025-0154, *Rebuttal Testimony of Geoff Marke*, p. 16:8-20 (Jul. 25, 2025).
[19] Staff Report at 35.

demand amount does not fully materialize, or in the case of Evergy, is sold into the SPP Integrated Marketplace.

I recommend that the Commission reject OPC's proposals for longer contract terms and a higher minimum billing demand than proposed by Evergy.

Q. How were the issues of contract term and minimum billing demand resolved in the Kansas Settlement Agreement that you discussed previously?

A. The minimum contract term stipulated in the Kansas Settlement Agreement is 12 years plus load ramp and the minimum billing demand is 80%. In isolation, each of these provisions goes beyond what I believe is reasonable and necessary to protect the public interest, but I am supporting them before the Kansas Commission as part of a comprehensive package that is reasonable in its total effect.

Q. Do you wish to respond to any other OPC proposals?

A. Yes. OPC witness Marke also recommends that Schedule LLPS customers be subject to "mandatory emergency curtailments as warranted."[20] As phrased, this proposal strikes me as both vague and overreaching. Certainly, there are instances when emergency conditions require load shedding to preserve the safe and stable operation of the grid. If voluntary demand response programs are insufficient to resolve a particular event, then I agree that involuntary curtailment is a regrettable next step. However, I do not agree that it is reasonable to selectively "draft" a particular industry, such as data centers, to be the first line of defense when involuntary curtailments are required. Such a proposal is arbitrary and unduly discriminatory. Mandatory curtailment could force data centers to take

[20] Marke Rebuttal at 25:9-10.

customers offline and create harmful impacts for the increasing number of industries that rely on them, including healthcare, financial services, transportation, e-commerce and many other sectors that depend on data centers for real-time services.

Demand response is a valuable tool, and I support Evergy's efforts to develop voluntary programs to encourage demand response participation from LLPS customers.

Q. Does this conclude your surrebuttal testimony?

A. Yes, it does.

Evergy MO Metro and MO West
Case Name: 2025 Approval of Large Load Service Rate Plan and Associated Tariffs
Case Number: EO-2025-0154

Requestor Greenwald Alissa -
Response Provided June 24, 2025

Question:DCC-16
CONFIDENTIAL

Class Cost of Service Models. Please refer to Mr. Lutz's Direct Testimony, p. 21, lines 15-19:

a. Please provide a full executable copy of the Class Cost of Service model that Evergy filed in Docket No. ER-2024-0189.

b. Please provide a full executable copy of the Class Cost of Service model that Evergy filed in Docket No. ER-2022-0129.

RESPONSE: (do not edit or delete this line or anything above this)

Confidentiality: CONFIDENTIAL
Statement: (1) Material or documents that contain information relating directly to specific customers

Response:

The Missouri West files are confidential as they include detail about specific customers.

Information provided by: Brad Lutz, Regulatory Affairs

Attachment(s):
QDCC-16_CON_Evergy MO West Allocators Workpapers – Direct.xlsx
QDCC-16_CON_Evergy MO West 2024 CCOS Model – Direct.xlsm
QDCC-16_Evergy MO Metro 2021 CCOS Model 202106.xlsm
QDCC-16_Evergy MO Metro Allocators Workpapers 202106.xlsx

Missouri Verification:
I have read the Information Request and answer thereto and find answer to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signature /s/ *Brad Lutz*
Director Regulatory Affairs

			Juris Adjusted Account Balance	Labor Balance
I. OPERATING AND MAINTENANCE EXPENSES				
A. PRODUCTION EXPENSES				
	STEAM POWER GENERATION			
	STEAM POWER OPERATION EXPENSES			
	500.00	Prod Steam Operation- Suprv & Engineering	2,353,665	4,131,710
	500.00	Prod Steam Oper-Iat 1&2 -100% MO	(0)	
	500.00	Prod Steam Oper-Iat 2 -100% KS	-	
	501.00	Fuel Expense		
	501L	Labor	3,287,982	6,442,258
	501.00	Fuel Handling (non-labor)	2,408,614	
	501.00	Fuel Expense-Coal & Freight	111,687,733	
	501.00	100% MO STB- (Surface Trsp Bound)	(101,759)	
	501.00	100%-KS-STB- (Surface Trsp Bound)	-	
	501.00	Fuel Expense-Oil	2,711,545	
	501.00	Fuel Expense- Gas	409,574	
	501.00	Fuel Expense-Residual - Labor	107,481	
	501.00	Fuel Expense-Residual - Non-Labor	3,318,331	
	501.00	Additives, incl NH4, Limestone & Oth	5,095,062	
	501.00	Fuel Expense - Unit Train Depreciation	391,774	
	501.00	Fuel Expense - Residual Non FAC	111,635	
	501.00	Fuel Expense Rider Underrecov	-	
	501.00	Fuel Expense Rider Underrecov - 100% MO	1	
	501.00	Fuel Expense Rider Underrecov - 100% KS	-	
	502.00	Steam Operating Expense	6,280,678	8,008,342
	502.00	Steam Operating Expense-Iat 2-100% MO	-	
	502.00	Steam Operating Expense-Iat 2-100% KS	-	
	505.00	Electric Operating Electric Expense	2,439,620	3,717,312
	505.00	Electric Operating Exp-Iat 2-100% MO	-	
	505.00	Electric Operating Exp-Iat 2-100% KS	-	
	506.00	Misc Other Power Expenses	3,030,187	3,031,783
	506.00	Misc Other Power Exp-Iat 2-100% MO	(0)	
	506.00	Misc Other Power Exp-Iat 2-100% KS	-	
	507.00	Steam Operating Exp - Rents	52,945	612
	507.00	Steam Operating Exp-Rents-Iat 2-100% MO	-	
	507.00	Steam Operating Exp-Rents-Iat 2-100% KS	-	
	509.00	Allowances		
	509.00	NOX/Other Allowances-Allocated	44,275	
	509.00	Allowances-MO	(2,302,166)	
	509.00	Allowances-KS	-	
	509.00	Emission Allowance -REC Exp.	-	
		Subtotal - STEAM POWER OPERATION EXPENSES	141,327,176	25,332,018
	STEAM POWER MAINTENANCE EXPENSES			
	510.00	Steam Maintenance Suprv & Engineering	2,236,176	2,822,557

510.00	Steam Mtce Suprv & Eng-Iat 2-100% MO	-	
510.00	Steam Mtce Suprv & Eng-Iat 2-100% KS	-	
511.00	Maintenance of Structures	3,306,488	968,192
511.00	Maintenance of Structures-Iat 2-100% MO	-	
511.00	Maintenance of Structures-Iat 2-100% KS	-	
512.00	Maintenance of Boiler Plant		
512.00	Non-Labor	6,756,192	
512.00	Labor	2,828,933	5,281,716
512.00	Steam Prod Mtce-Iat 1&2-100% MO	-	
512.00	Steam Prod Mtce-Iat 2-100% KS	-	
513.00	Maintenance of Electric Plant	1,743,917	814,730
513.00	Maintenance of Elec Plant-Iat 2-100% MO	-	
513.00	Maintenance of Elec Plant-Iat 2-100% KS	-	
514.00	Maintenance of Miscellaneous Steam Plant	177,879	49,430
514.00	Mtce of Misc Steam Plant-Iat 2-100% MO	-	
514.00	Mtce of Misc Steam Plant-Iat 2-100% KS	-	
	Subtotal - STEAM POWER MAINTENANCE EXPENSES	17,049,585	9,936,624
TOTAL STEAM POWER GENERATION EXPENSE		158,376,762	35,268,642

A&G MAINTENANCE EXPENSES				
	935.00	Maintenance Of General Plant	3,078,048	17,115
		Subtotal - A&G MAINTENANCE EXPENSES	3,078,048	17,115
TOTAL A&G EXPENSES			38,631,843	27,875,780
TOTAL ELECTRIC OPERATING & MAINTENANCE EXPENSES			609,002,737	137,074,537
II. DEPRECIATION EXPENSE				
Depreciation Expense			see Rate Model Depr Exp - Sch 5 for plant account detail	
		Depreciation Expense - Production	108,615,296	
		Depreciation Expense - Transmission	7,874,036	
		Depreciation Expense - Distribution	49,836,275	
		Depreciation Expense - CCN	775,608	
		Depreciation Expense - General	14,447,511	
		Depreciation Expense - Clearing Account (Prod)	(360,754)	
		Depreciation Expense - Clearing Account (Gen)	(2,629,890)	
	403.00	Contra PISA Depreciation Expense - MO		
	403.00	Deferred Depreciation Expense -MO		
		Subtotal - Depreciation Expense	178,558,081	
Amortization Expense				
	404.00	Amortization of Limited Term Plant-Allocated	1,868,580	
	405.00	Amort-Iat & LC Reg Asset & Oth Non-Plant - MO	4,220,904	
	405.00	Amort-Iat & LC Reg Asset & Oth Non-Plant - KS		
	405.10	Amortization of Other Plant-Allocated	45,162,165	
	405.01	Amortiz of Unrecovered Reserve-KS		
	405.01	Amortiz of Unrecov Dist Meters-KS		
		Subtotal - Amortization Expense	51,251,650	
TOTAL DEPRECIATION & AMORTIZATION EXPENSE			229,809,731	
III. Other Expenses				
Regulatory Debits & Credits				
	407.300	Regulatory Debits	6,546,845	
	407.301	Pension & OPEB Exp Tracker - NSC RD	1,075,177	
	407.310	Regulatory Debit - Pension & OPEB	63,945	
	407.400	Regulatory Credits	(6,748,771)	
	407.402	Pension & OPEB Exp Tracker - NSC RD	(101,325)	
	407.410	Regulatory Debit - Pension & OPEB	(164,498)	
		Subtotal - Regulatory Debits & Credits	671,372	
Other Operating Expenses				
	408.100	KS Property Tax RIDER		
	408.100	Other Miscellaneous Taxes	16	

408.140	KCMO City Earnings Tax-100% MO	1,472,925
408.100	Property Tax	68,253,459
408.130	Gross Receipts Tax-100% MO	9,361
408.140	Payroll Tax, incl Unemployment	5,967,111
408.140	ORVIS - KS	
	Subtotal - Other Operating Expenses	75,702,871
Total Operating Expenses w/o Taxes		915,186,712

DCC Adjustments to Staff's Proposed LLPS Generation Capacity Rate - Evergy MO. Metro

Line No.	Description		Rate	
1	Staff Proposed Charge Before Mark-Up (Revised)[1]	$	17.55	$/kW-Mo.
2	DCC Adjustments to Staff's Proposed Charge			
3	Remove Production Demand-Related "Maintenance" Labor Expense	$	(0.40)	= - Ln. 14 below
4	Remove Production Energy-Related "Maintenance"Labor Expense	$	(0.46)	= - Ln. 21 below
5	Include Production Demand-Related Deferred Income Tax Expense	$	0.62	= - Ln. 25 below
6	Include Production Demand-Related ADIT	$	(1.81)	= - Ln. 33 below
7	DCC Adjusted Charge Before Mark-Up	$	15.50	$/kW-Mo.
8	**Production Demand-Related "Maintenance" Labor Expense**		**Amount**	
9	Steam Demand-Related Maintenance Labor Expense[2]	$	3,790,749	
10	Nuclear Demand-Related Maintenance Labor Expense[2]	$	4,023,289	
11	Other Plant Demand-Related Maintenance Labor Expense[2]	$	1,448,820	
12	Total Production Demand-Related Maintenance Labor Expense	$	9,262,857	
13	Annual Billing Demand (kW)[1]		23,259,637	
14	Rate	$	0.40	$/kW-Mo.
15	**Production Energy-Related "Maintenance" Labor Expense**		**Amount**	
16	Steam Demand-Related Maintenance Labor Expense[2]	$	6,145,875	
17	Nuclear Demand-Related Maintenance Labor Expense[2]	$	4,576,136	
18	Other Plant Demand-Related Maintenance Labor Expense[2]	$	-	
19	Total Production Demand-Related Maintenance Labor Expense	$	10,722,012	
20	Annual Billing Demand (kW)[1]		23,259,637	
21	Rate	$	0.46	$/kW-Mo.
22	**Production Demand-Related Deferred Income Tax Expense**		**Amount**	
23	Deferred Income Tax Expense[3]	$	(14,386,664)	
24	Annual Billing Demand (kW)[1]		23,259,637	
25	Rate	$	(0.62)	$/kW-Mo.
26	**Production Demand-Related Accumulated Deferred Income Taxes (ADIT)**		**Amount**	
27	Production Demand-Related ADIT[4]	$	483,336,305	
28	After Tax Rate of Return[1]		7.0325%	
29	Income Tax Factor[1]		23.8440%	
30	Return on Rate Base w/ Tax Adjustment		8.7093%	
31	Revenue Requirement Impact with Tax Gross-Up	$	42,095,350	
32	Annual Billing Demand (kW)[1]		23,259,637	
33	Rate	$	1.81	$/kW-Mo.

Data Sources:

1. Staff Response to DCC Data Request No. 236 Attachment "Confidential Misc workpaper 1 Rebuttal workpaper - reviewing for DR responses".
2. Evergy Response to DCC Data Request No. 16 Attachment "QDCC-16_Evergy MO Metro 2021 CCOS Model 202106.xlsm", Payroll worksheet.
3. Evergy Response to DCC Data Request No. 16 Attachment "QDCC-16_Evergy MO Metro 2021 CCOS Model 202106.xlsm", Unbundled RR worksheet.
4. Evergy Response to DCC Data Request No. 16 Attachment "QDCC-16_Evergy MO Metro 2021 CCOS Model 202106.xlsm", Rate Base worksheet.

DCC Adjustments to Staff's Proposed LLPS Generation Capacity Rate - Evergy MO. West

Line No.	Description		Rate	
1	Staff Proposed Charge Before Mark-Up (Revised)[1]	$	8.16	$/kW-Mo.
2	DCC Adjustments to Staff's Proposed Charge			
3	Remove Production Demand-Related "Maintenance" Labor Expense	$	(0.07)	= - Ln. 13 below
4	Remove Production Energy-Related "Maintenance"Labor Expense	$	(0.09)	= - Ln. 19 below
5	Include Production Demand-Related Deferred Income Tax Expense	$	0.13	= - Ln. 23 below
6	Include Production Demand-Related ADIT	$	(0.78)	= - Ln. 31 below
7	DCC Adjusted Charge Before Mark-Up	$	7.34	$/kW-Mo.
8	**Production Demand-Related "Maintenance" Labor Expense**		**Amount**	
9	Steam Demand-Related Maintenance Labor Expense[2]	$	755,052	
10	Other Plant Demand-Related Maintenance Labor Expense[2]	$	1,114,662	
11	Total Production Demand-Related Maintenance Labor Expense	$	1,869,714	
12	Annual Billing Demand (kW)[1]		25,221,120	
13	Rate	$	0.07	$/kW-Mo.
14	**Production Energy-Related "Maintenance" Labor Expense**		**Amount**	
15	Steam Demand-Related Maintenance Labor Expense[2]	$	2,323,369	
16	Other Plant Demand-Related Maintenance Labor Expense[2]	$	-	
17	Total Production Demand-Related Maintenance Labor Expense	$	2,323,369	
18	Annual Billing Demand (kW)[1]		25,221,120	
19	Rate	$	0.09	$/kW-Mo.
20	**Production Demand-Related Deferred Income Tax Expense**		**Amount**	
21	Deferred Income Tax Expense[3]	$	(3,207,000)	
22	Annual Billing Demand (kW)[1]		25,221,120	
23	Rate	$	(0.13)	$/kW-Mo.
24	**Production Demand-Related Accumulated Deferred Income Taxes (ADIT)**		**Amount**	
25	Production Demand-Related ADIT[4]	$	210,434,611	
26	After Tax Rate of Return[1]		7.5661%	
27	Income Tax Factor[1]		23.8440%	
28	Return on Rate Base w/ Tax Adjustment		9.3702%	
29	Revenue Requirement Impact with Tax Gross-Up	$	19,718,062	
30	Annual Billing Demand (kW)[1]		25,221,120	
31	Rate	$	0.78	$/kW-Mo.

Data Sources:
1. Staff Response to DCC Data Request No. 236 Attachment "Confidential Misc workpaper 1 Rebuttal workpaper - reviewing for DR responses".
2. Evergy Response to DCC Data Request No. 16 Attachment "QDCC-16_CONF_Evergy MO West 2024 CCOS Model - Direct.xlsm", Payroll worksheet.
3. Evergy Response to DCC Data Request No. 16 Attachment "QDCC-16_CONF_Evergy MO West 2024 CCOS Model - Direct.xlsm", Unbundled RR worksheet.
4. Evergy Response to DCC Data Request No. 16 Attachment "QDCC-16_CONF_Evergy MO West 2024 CCOS Model - Direct.xlsm", Rate Base worksheet.

DCC Adjustments to Staff's Proposed LLPS Transmission Capacity Rate - Evergy MO. Metro

Line No.	Description		Rate	
1	Staff Proposed Charge Before Mark-Up[1]	$	3.00	$/kW-Mo.
2	DCC Adjustments to Staff's Proposed Charge			
3	Remove Transmission Demand-Related "Operations" Labor Expense	$	(0.07)	= - Ln. 11 below
4	Remove Transmission Demand-Related "Maintenance"Labor Expense	$	(0.04)	= - Ln. 15 below
5	Include Transmission Demand-Related Deferred Income Tax Expense	$	0.07	= - Ln. 19 below
6	Include Transmission Demand-Related ADIT	$	(0.19)	= - Ln. 27 below
7	DCC Adjusted Charge Before Mark-Up	$	2.77	$/kW-Mo.
8	**Transmission Demand-Related "Operations" Labor Expense**		**Amount**	
9	Total Transmission Demand-Related Operations Labor Expense[2]	$	1,602,256	
10	Annual Billing Demand (kW)[1]		23,259,637	
11	Rate	$	0.07	$/kW-Mo.
12	**Transmission "Maintenance" Labor Expense**		**Amount**	
13	Total Transmission Demand-Related Maintenance Labor Expense[2]	$	941,694	
14	Annual Billing Demand (kW)[1]		23,259,637	
15	Rate	$	0.04	$/kW-Mo.
16	**Transmission Demand-Related Deferred Income Tax Expense**		**Amount**	
17	Deferred Income Tax Expense[3]	$	(1,515,903)	
18	Annual Billing Demand (kW)[1]		23,259,637	
19	Rate	$	(0.07)	$/kW-Mo.
20	**Transmission Demand-Related Accumulated Deferred Income Taxes (ADIT)**		**Amount**	
21	Transmission Demand-Related ADIT[4]	$	50,928,483	
22	After Tax Rate of Return[1]		7.0325%	
23	Income Tax Factor[1]		23.8440%	
24	Return on Rate Base w/ Tax Adjustment		8.7093%	
25	Revenue Requirement Impact with Tax Gross-Up	$	4,435,529	
26	Annual Billing Demand (kW)[1]		23,259,637	
27	Rate	$	0.19	$/kW-Mo.

Data Sources:

1. Staff Response to DCC Data Request No. 236 Attachment "Confidential Misc workpaper 1 Rebuttal workpaper - reviewing for DR responses".
2. Evergy Response to DCC Data Request No. 16 Attachment "QDCC-16_Evergy MO Metro 2021 CCOS Model 202106.xlsm", Payroll worksheet.
3. Evergy Response to DCC Data Request No. 16 Attachment "QDCC-16_Evergy MO Metro 2021 CCOS Model 202106.xlsm", Unbundled worksheet.
4. Evergy Response to DCC Data Request No. 16 Attachment "QDCC-16_Evergy MO Metro 2021 CCOS Model 202106.xlsm", Input & Rate Base worksheet.

DCC Adjustments to Staff's Proposed LLPS Transmission Capacity Rate - Evergy MO. West

Line No.	Description		Rate	
1	Staff Proposed Charge Before Mark-Up (Revised)[1]	$	5.81	$/kW-Mo.
2	DCC Adjustments to Staff's Proposed Charge			
3	Remove Transmission Demand-Related "Operations" Labor Expense	$	(0.05)	= - Ln. 11 below
4	Remove Transmission Demand-Related "Maintenance"Labor Expense	$	(0.04)	= - Ln. 15 below
5	Include Transmission Demand-Related Deferred Income Tax Expense	$	0.09	= - Ln. 19 below
6	Include Transmission Demand-Related ADIT	$	(0.53)	= - Ln. 27 below
7	DCC Adjusted Charge Before Mark-Up	$	5.27	$/kW-Mo.
8	**Transmission Demand-Related "Operations" Labor Expense**		**Amount**	
9	Total Transmission Demand-Related Operations Labor Expense[2]	$	1,291,026	
10	Annual Billing Demand (kW)[1]		25,221,120	
11	Rate	$	0.05	$/kW-Mo.
12	**Transmission "Maintenance" Labor Expense**		**Amount**	
13	Total Transmission Demand-Related Maintenance Labor Expense[2]	$	1,108,226	
14	Annual Billing Demand (kW)[1]		25,221,120	
15	Rate	$	0.04	$/kW-Mo.
16	**Transmission Demand-Related Deferred Income Tax Expense**		**Amount**	
17	Deferred Income Tax Expense[3]	$	(2,183,315)	
18	Annual Billing Demand (kW)[1]		25,221,120	
19	Rate	$	(0.09)	$/kW-Mo.
20	**Transmission Demand-Related Accumulated Deferred Income Taxes (ADIT)**		**Amount**	
21	Transmission Demand-Related ADIT[4]	$	143,263,135	
22	After Tax Rate of Return[1]		7.5661%	
23	Income Tax Factor[1]		23.8440%	
24	Return on Rate Base w/ Tax Adjustment		9.3702%	
25	Revenue Requirement Impact with Tax Gross-Up	$	13,423,986	
26	Annual Billing Demand (kW)[1]		25,221,120	
27	Rate	$	0.53	$/kW-Mo.

Data Sources:

1. Staff Response to DCC Data Request No. 236 Attachment "Confidential Misc workpaper 1 Rebuttal workpaper - reviewing for DR responses".
2. Evergy Response to DCC Data Request No. 16 Attachment "QDCC-16_CONF_Evergy MO West 2024 CCOS Model - Direct.xlsm", Payroll worksheet.
3. Evergy Response to DCC Data Request No. 16 Attachment "QDCC-16_CONF_Evergy MO West 2024 CCOS Model - Direct.xlsm", Unbundled worksheet.
4. Evergy Response to DCC Data Request No. 16 Attachment "QDCC-16_CONF_Evergy MO West 2024 CCOS Model - Direct.xlsm", Input & Rate Base worksheet.

Comparison of DCC Adjustment to Staff's Energy Charges and Staff Proposed Energy Charges

Line No.		DCC Adjusted Energy Charges excl. Inflation Adj. EMM ($/kWh)	DCC Adjusted Energy Charges excl. Inflation Adj. EMW ($/kWh)	Staff Proposed Energy Charges incl. Inflation Adj.[1] EMM ($/kWh)	Staff Proposed Energy Charges incl. Inflation Adj.[1] EMW ($/kWh)
1	**Summer Off-Peak**	$ 0.01021	$ 0.01152	$ 0.01122	$ 0.01265
2	**Summer Intermediate**	$ 0.02780	$ 0.02766	$ 0.03055	$ 0.03038
3	**Summer On-Peak**	$ 0.05042	$ 0.04841	$ 0.05539	$ 0.05316
4	**Fall Off-Peak**	$ 0.01078	$ 0.01143	$ 0.01194	$ 0.01266
5	**Fall Intermediate**	$ 0.02448	$ 0.02476	$ 0.02712	$ 0.02743
6	**Fall On-Peak**	$ 0.04209	$ 0.04191	$ 0.04662	$ 0.04642
7	**Winter Off-Peak**	$ 0.01756	$ 0.01840	$ 0.02003	$ 0.02017
8	**Winter Intermediate**	$ 0.02409	$ 0.02428	$ 0.02749	$ 0.02661
9	**Winter On-Peak**	$ 0.03063	$ 0.03015	$ 0.03494	$ 0.03304
10	**Spring Off-Peak**	$ 0.00915	$ 0.00879	$ 0.00978	$ 0.01000
11	**Spring Intermediate**	$ 0.02149	$ 0.02060	$ 0.02296	$ 0.02342
12	**Spring On-Peak**	$ 0.03734	$ 0.03577	$ 0.03990	$ 0.04068

Data Source:

1. Staff Recommendation Report, Appendix 2, Schedule 1, p. 2 of 4.

Submission No.	EO-2025-0154
Request No.	0228.0
Requested Date	8/19/2025
Due Date	8/29/2025
Issue	Tariff Issue Other
Requested From	MO PSC Staff (Other) Lexi Klaus (lexi.klaus@psc.mo.gov)
Requested By	Data Center Coalition (Other) (Industry or Business Association) Alissa Greenwald (agreenwald@keyesfox.com)
Brief Description	Section III – Staff Recommended LLPS Tariff Rates (Generation & Transmission Demand Charges)
Description	On p. 44 of its Recommendation Report, Staff states that it excluded accumulated deferred income taxes (ADIT) and related offsets from the derivation of its proposed Generation & Transmission Capacity-Related Demand Charges. (a) Please explain the rationale for excluding ADIT (and related offsets) from the derivation of these charges. (b) Admit that excluding ADIT (and related offsets) results in higher Generation & Transmission Capacity-Related Demand Charges than would occur if ADIT (and related offsets) were included in the calculation of the rate.
Request Security	Public (DR)

Response Date	8/28/2025
Response	(a) Accumulated Deferred Income Taxes are ratebase offsets that result from tax timing differences under which legacy ratepayers have effectively prepaid the taxes for utility assets relative to the utility's actual payment of taxes on those assets. Missouri law requires as of August 28, 2025, that the LLPS tariffs to be developed in this case “reasonably ensure such customers' rates will reflect the customers' representative share of the costs incurred to serve the customers.” It would be inconsistent with that law, general rate making policy, and patently unfair to offset the rates of large incremental customers causing incremental plant investment with the prepayment of income tax by legacy ratepayers. Further, Missouri law requires that the tariffs under development in this case “prevent other customer classes' rates from reflecting any unjust or unreasonable costs arising from service to such customers.” Allocating away a substantial portion of the prepaid tax burden of legacy customers to discrete new customers would be inconsistent with this legislation, inconsistent with general rate making policy, and would be patently unfair. (b) Staff admits that in designing its proposed Capacity-Related Demand Charges in this case it has not included offsets that would reduce the calculated charges by the value of taxes prepaid by legacy ratepayers.
Objections	
Response Security	Public (DR)
Rationale	

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Evergy Metro, Inc. d/b/a Evergy Missouri Metro and Evergy Missouri West, Inc. d/b/a Evergy Missouri West for Approval of New and Modified Tariffs for Service to Large Load Customers	)))))	File No. EO-2025-0154

AFFIDAVIT OF KEVIN C. HIGGINS

STATE OF UTAH)
) ss
COUNTY OF SALT LAKE)

My name is Kevin C. Higgins, and on my oath I declare that I am of sound mind and lawful age; that I prepared the foregoing Surrebuttal Testimony; and further, under the penalty of perjury, that the same is true and correct to the best of my knowledge and belief.

[signature]
Kevin C. Higgins

Subscribed and sworn before me this 9th day of September, 2025.

[signature]
Notary Public

KIMBERLIE A IGNJATOVIC
Notary Public State of Utah
My Commission Expires on:
April 18, 2027
Comm. Number: 730305

My commission expires: April 18, 2027